# Executive Summary

The objective of this business case is to develop enterprise wide functional requirements to support the implementation of a common Customer Relationship Management (CRM) system. The goal is to uniformly enable the enterprise to view and access a holistic view of a customer's history with Student Financial Assistance (SFA). Implementing a CRM system across all customer service areas provides world class customer service anytime, anywhere. This document should be reviewed in conjunction with the Call Center Optimization and Central IVR business cases. These three business cases provide the foundation for the CIC environment.

## Business Problem

SFA has established thirteen major call centers to service the needs of the various customer bases. The call centers currently use different customer contact applications and technologies to service SFA's customers. Customer information sharing is non-existent or difficult between the call centers and in many cases each call center is compiling its own customer data resulting in significant duplicate work.

The challenge for SFA is to provide customers with consistent service through all contact points including phone, fax, internet, IVR, and mail. At present time, a complete view of a customer's history is not available since it is collected in small portions over different transactions at different contact points. Consequently, a customer's information history is not available to either customers or SFA customer facing employees.

*"Customers expectations are changing rapidly leading to a lack of tolerance for a fragmented customer contact environment." – Gartner Group*

This technology combined with a streamlined CIC structure and a central IVR can provide better, more efficient service to customers and help reduce operational costs.

## Proposed Solution

The CRM Call Center Integrated Product Team (IPT) recommends implementing a CRM system to provide a seamless approach to customer service throughout SFA. A single and consistent CRM application tool should be implemented to better serve all SFA customers, employees and partners by accessing and leveraging multiple sources of data. The scope of this business case is to develop high level functional requirements to support the implementation of a common CRM application. The initiative would define specific functional group requirements/views to integrate into the CRM system and leverage the Ombudsman and eServicing efforts.

## SFA and Customer Benefits

Developing enterprise wide functional requirements is the first critical step for a common CRM system. The common CRM system implementation has three major benefits to SFA:

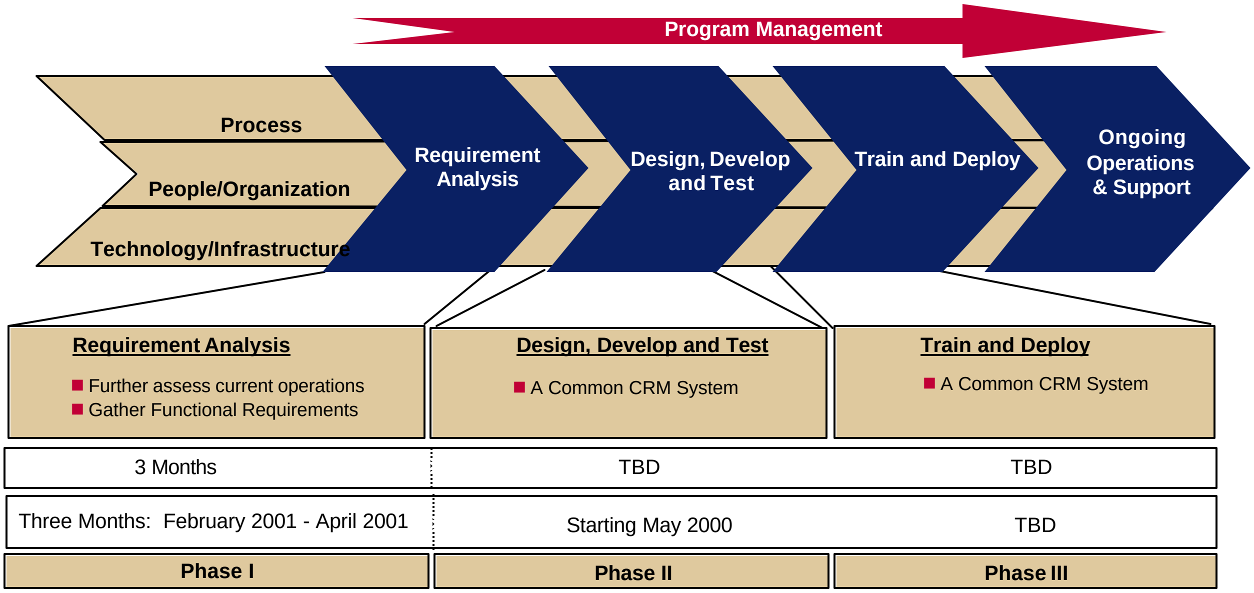
- *Higher Customer Satisfaction* **-** The primary benefit is a dramatic improvement in customer service since customer information is consistently available anytime, anywhere.
- *Higher Employee Satisfaction* **-** The CRM solution will enable SFA, particularly its Customer Interaction Center (CIC) employees, to access a customer's complete history with the enterprise. In this customer centric environment, employees can leverage the customer's history by capturing each experience with SFA.
- *Lower Unit Cost* **-** The third major benefit to SFA is the cost savings associated with implementing an enterprise-wide CRM system. The CRM system implementation will aid in SFA and Modernization Partner's goal to reduce unit costs (average annual SFA cost per aid recipient) by 12.5% by 2004.

# Implementation Approach

To reduce risk, the Modernization Partner will gather functional requirements, design, develop, test and deploy the common CRM system in three phases. This will enable confirmation of the project scope and projected benefits and allow for decision points in between phases.

The first phase is scheduled to last for three months after the start of the project. The cost for Phase I will be $750,000. The process to achieve this goal is illustrated below in Figure 1. At the completion of this phase, a decision point is reached where a detail project plan and cost estimates will be determined to continue with Phase II and III.

Figure 1: Project Process Map


Program Management
Process
People/Organization
Technology/Infrastructure
Requirement Analysis
Design, Develop and Test
Train and Deploy
Ongoing Operations & Support

| Phase I | Phase II | Phase III |
|---|---|---|
| **Requirement Analysis**<br>■ Further assess current operations<br>■ Gather Functional Requirements | **Design, Develop and Test**<br>■ A Common CRM System | **Train and Deploy**<br>■ A Common CRM System |
| 3 Months | TBD | TBD |
| Three Months: February 2001 - April 2001 | Starting May 2000 | TBD |

# Customer Service Background at SFA

To improve student financial aid services nationwide, the Higher Education Amendments of 1998 established SFA as the first federal Performance-Based Organization (PBO). SFA, as a PBO, is dedicated to providing outstanding customer service while simplifying, integrating, and reducing the cost of administering federal student financial assistance programs.

SFA is in the process of transforming from today's environment to the target structure as documented in the Modernization Blueprint, the Customer Service Task Force (CSTF) Report, and the Five-Year Performance Plan. The structure illustrates the vision to deliver top-notch customer service—reaching customers who, in some instances, do not have computers—through partnerships with schools and the loan industry, an empowered work force, and modern technology.

As part of SFA's transformation, the organization has realigned according to traditional commercial business segments in an effort to more effectively serve its customers.

## CRM Call Center IPT

The Students Channel, one of the new commercial business segments, is responsible for providing high-quality service to potential and current borrowers. The Students Channel, as a result of Customer Service Task Force (CSTF) recommendations, led an SFA-wide effort to cultivate better relationships with all of SFA's customers and partners, examine the current state of SFA call center operations, and recommend improvements for the future. This was achieved through the CRM Call Center Integrated Product Team (IPT) which included members from all areas of SFA. Furthermore, to better understand SFA's existing CRM capabilities, the core team chartered three sub teams:

- Current State Environment
- Best In Business
- Quick Hits

The current state sub-team examined today's environment of thirteen SFA major call centers. The best in business sub-team researched the CRM practices of acknowledged leaders in the field. These organizations are from both the public and private sector and provide a wide range of products and services to their respective customers. Some of the researched organizations included the Social Security Administration, Census 2000, Internal Revenue Service, Bank of America, American Express, and Avaya (formerly Lucent Technologies). The quick hits sub-team focused on some high impact, quick to implement improvements for the centers.

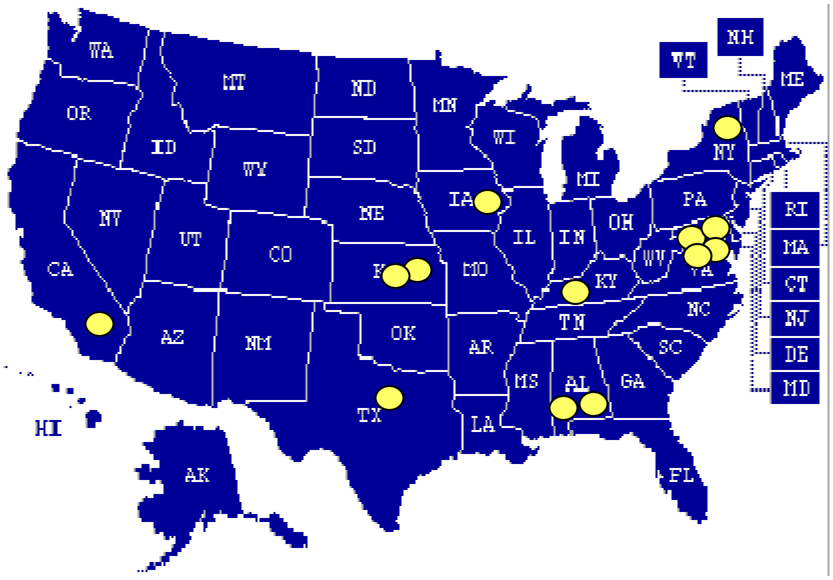
Following the analysis of the current state environment and industry best practices by the sub teams, the CRM Call Center IPT recommended three solutions:

- Call Center Optimization
- Central IVR
- Common CRM Application (this business case focuses on defining enterprise wide functional requirements)

# Business Problem

A holistic view of a customer's history is not available to anyone within the enterprise since it is collected in small portions over different transactions at different contact points. Consequently, a customer's entire information is not available for either a customer or a Customer Service Representative (CSR).

Figure 2: SFA Major Call Center Locations



Currently, customers can use the internet to view their Direct Loan status but have to go to another web address for Loan Consolidation information. Moreover, these web pages are provided through custom-developed software and are not available to CSRs at any of the other call centers. Therefore, the response a customer hears from the CSRs and sees on the various web sites is often inconsistent.

The IVR is an automated system that allows customers to obtain information, such as how to obtain direct student loans and payment history information, over the phone. If the customer does not obtain satisfactory information regarding how to apply for a student loan or about an existing student loan from the IVR, he or she can speak with a CSR. Often CSRs cannot obtain access to an entire customer history and a customer will have to contact another call center to solve her/his issues.

The current call center structure is a fragmented approach to customer service. Implementing a common CRM application would enable the transition to a customer centric environment.

# Proposed Solutions

The objective of this initiative is to gather functional requirements to support a common CRM system implementation. This effort will bring SFA's customer interaction in line with current industry best practices by providing the foundation for consistent delivery of customer information. Defining the functional requirements to support the common CRM System implementation will incorporate measures to improve SFA by:

- Reducing customer service costs
- Improving customer satisfaction
- Improving employee satisfaction

A common CRM system implementation offers the opportunity to enhance the customer service experience with SFA. Three options are suggested.

## Option #1: Leave As-Is

Currently not all major call centers have CRM capabilities. When in existence, the customer relationship management tools are often custom made applications utilizing several different technologies. Customers will expect more from customer service in the upcoming years and leaving current operation As-Is will continue with notable customer service shortcomings:

- Lack of a complete view of customer's history
- Fragmented approach to customer service
- Inability for customer facing employees to consistently capture customer feedback
- Increased costs overtime to maintain current level of service

## Option #2: Define CRM Solution Enterprise Wide

Implementing a CRM solution will ensure that major call centers would have a CRM capability.

- Some improvement in customer service
- Significantly higher cost due to added extra time and rework in selecting and implementing a different technology
- Does not take advantage of existing efforts and considerable economies of scale benefits

## Option #3: Leverage Other Siebel CRM Initiatives

A Siebel common CRM solution will enable customers and CSRs to access a complete view of customer's history with the enterprise. This option allows SFA to leverage current Siebel CRM implementation initiatives at the Ombudsman and Loan Servicing call centers and realize full economies of scale. This option is the most cost effective overtime and will also facilitate the start of solution implementation quickest. The immediate benefits are as follows:

- Dramatic improvement in customer service
- A single CRM technology for all the major call centers
- Customer information is consistently available in the same format to customers and customer facing employees
- Allows CSRs to be consistently proactive, notice trends and capture customer feedback
- Leverage existing CRM efforts

The goal of a common CRM application is to provide enhanced customer relationship information in a timely way through the medium that best meets SFA customers' needs. In order to maximize the benefits of a holistic customer history view anytime, anyplace, Option #3 is the recommendation of this business case.

## Common CRM System Objective

A common CRM system will guide and assist CSRs through the entire customer relationship process. The CRM system enables SFA to better serve and satisfy their customers, reduce unit costs, and create a seamless information flow over multiple channels including telephone, web, e-mail, and paper. A common CRM system provides a comprehensive view of the customer across multiple functional areas.

The system empowers CSRs by providing up-to-the minute and in-depth customer, SFA, and account information resulting in quick and accurate problem resolution. A common CRM system optimizes an organization by tracking and maintaining detailed customer information such as personal profiles, historical transactions, customer response, and demographics. The CRM system accesses and leverages multiple sources of data.

The guiding principles of a CRM system implementation include the following:

- Industry best practices for CRM and contact management are quickly and easily incorporated enterprise wide
- A modular approach integrating call centers to the CRM system to reduce risks and facilitate future interoperability
- Self-service, provide 24/7 access to customer service, deliver consistent content over the internet and VRU from anywhere, anytime
- Provide access to customer history information by all stakeholders and all mediums through one place
- Leverage successful SFA Siebel CRM system implementation efforts already completed or currently in progress such as the Ombudsman and eServicing initiatives

## Common CRM Application Functional Requirements

The effort to gather functional requirements for the common CRM system is an SFA-wide initiative. The effort will impact all customer facing business units. The Student and Schools Channels are units most affected with the common CRM implementation since they are the business units that most directly interact with SFA's stakeholders.

This effort will be to document the customer service functional requirements stated by business representatives, customers, customer facing SFA representatives, stakeholders, etc. During functional requirements all the functional, content, quality, and usability requirements that apply to an enterprise wide CRM implementation will be documented.

The effort will also document the unstated requirements, uncovered by observing the current business representatives. Functional requirements of current CRM applications that address processes/business needs and any known future requirements that will need to be met at a later date will also be documented.

This business case focuses only on gathering functional requirement information regarding what the common CRM system must do to satisfy the business needs. The functional requirements are technology independent; they do not include specific details related to implementation. However, the common CRM application needs to be tightly integrated with back-end systems to quickly provide the necessary information to the CSRs, self-service over the IVR, and web.

The current legacy systems responsible for maintaining some form of customer information will be impacted. The enterprise wide CRM effort will require that interfaces to these systems will need to be developed to take advantage of the new capabilities. The common CRM system will have an impact on and need to gather customer service requirements for the following systems:

| | |
|---|---|
| Central Processing System | CPS |
| Student Aid Internet Gateway | SAIG |
| Title IV WAN | TIV WAN |
| National Student Loan Data System | NSLDS |
| Federal Family Education Loan | FFEL |
| Loan Origination System | LOS |
| Direct Loan Servicing System | DLSS |
| Recipient Financial Management System | RFMS |
| Enterprise Application Integration (EAI ) | |

## Target Environment

The target environment will provide the common CRM system tool enabling SFA to capture and optimize a customer's comprehensive experience with SFA. Please refer to figures 3 and 4 below.

Figure 3: Target Environment Vignette

Comprehensive
View of a Customer's
SFA Experience

Liz, a SFA CSR, answers the next call in the queue. The Financial Aid Administrator from State University, Charley, called in to check status on whether the student records for Pell Grant payments were submitted on time and processed successfully. Liz notices from the customer history profile that Charley had requested a duplicate SAR for a student. She informs him that it has been sent out and should be delivered shortly. Charley has the option to provide customer service feedback through a survey at the end of the call. Liz is able to better serve customers by having a holistic view of the customer.

After completing the call with Charley, Liz receives the next call from a customer who has requested a web chat. Mike is having problems filing out the Deferment form on-line. Through the CRM system, Liz is able to view the form and provide assistance to Mike completing the form successfully. She enjoys using multiple channels to interact with SFA customers.

Captures and displays a holistic view of the customer's SFA experience

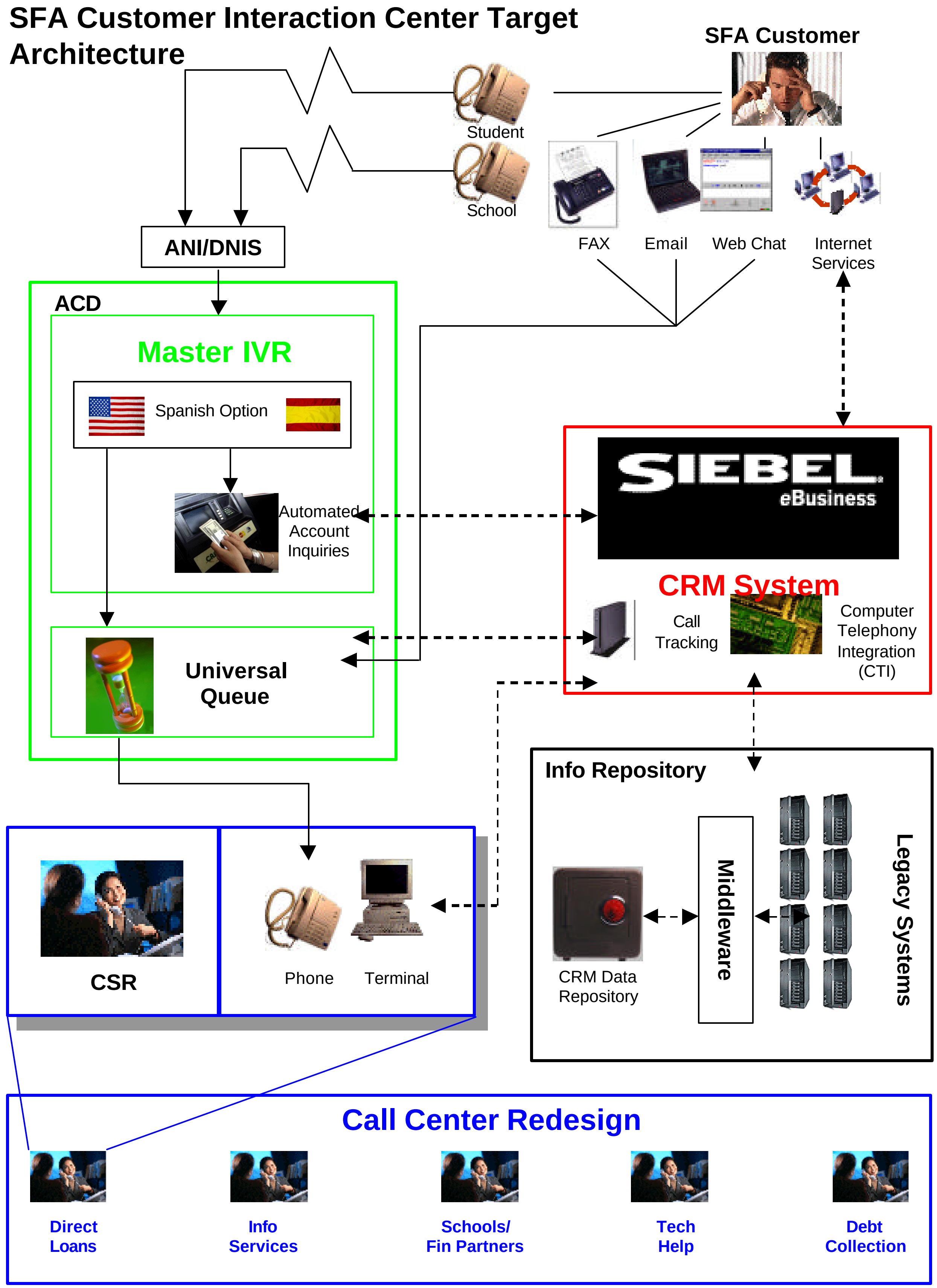
Provides access to information by interfacing with legacy systems

Customer satisfaction survey tools are available

Customer has use of multiple contact channels

Customers and CSRs have access to the same information views

Figure 4: Target Architecture


SFA Customer Interaction Center Target Architecture
SFA Customer
Student
School
FAX
Email
Web Chat
Internet Services
ANI/DNIS
ACD
Master IVR
Spanish Option
Automated Account Inquiries
Universal Queue
SIEBEL eBusiness
CRM System
Call Tracking
Computer Telephony Integration (CTI)
Info Repository
CRM Data Repository
Middleware
Legacy Systems
CSR
Phone
Terminal
Call Center Redesign
Direct Loans
Info Services
Schools/ Fin Partners
Tech Help
Debt Collection

# SFA and Customer Benefits

The three major benefits of implementing a common CRM system at SFA are higher customer satisfaction, improved employee morale, and reduced operating costs.

## Customer Satisfaction

The primary benefit of a common CRM system is a dramatic improvement in customer service by making customer information consistently available anytime, anywhere. The CRM system will help increase customer satisfaction to the average level enjoyed by private sector Financial Services firms as measured by the American Consumer Satisfaction Index. The current average customer satisfaction value for these firms is 74

## Employee Satisfaction

The common CRM solution will enable SFA, particularly its CSRs in the customer interactive centers to access customer's complete history with the enterprise. The system allows SFA's employees for the first time to see the customer's "big picture." In turn, this provides CSRs an opportunity to successfully address customer's inquires the first time. It also allows CSRs to be proactive, notice trends, and capture complaints.

Furthermore, CSRs will be able to capture in one place all the interactions with the customer, whether a student or a school, providing SFA the ability to be proactive in managing the relationship.

## Cost Savings

The third major benefit to SFA is the cost savings achieved by implementing an enterprise-wide CRM system. A common CRM system implementation will support SFA / Mod Partner's goal to reduce unit costs (average annual SFA cost per aid recipient) by 12.5% by 2004.

Figure 5: Options Benefit Matrix

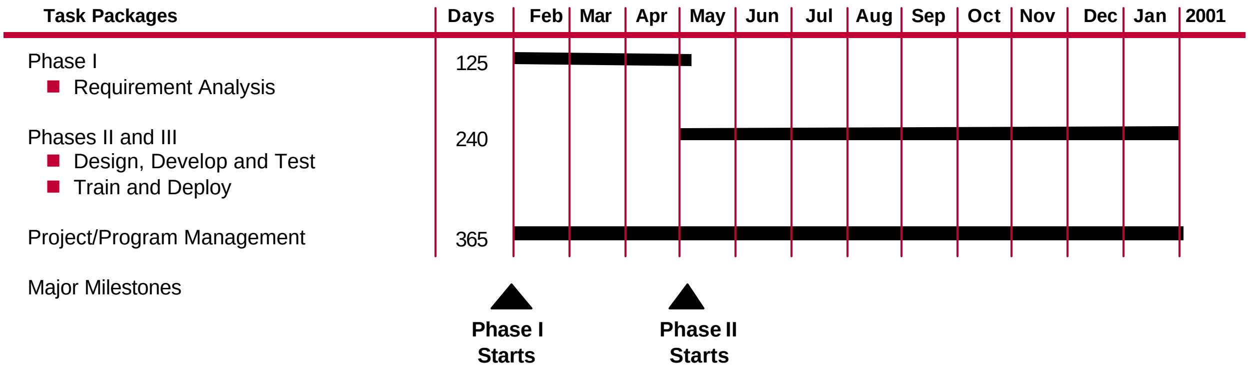
| **Option** | **Leave 'As Is'** | **Define CRM Solution Enterprise wide** | **Leverage Other Siebel CRM Initiatives** |
|---|---|---|---|
| | | | |
| **Customer Satisfaction** | | | |
| **EVALUATION** | Satisfaction Decrease:<br>• Lack of a complete view of customer's history<br>• Fragmented approach to customer service<br>• Customers will expect more from customer service in the upcoming years | Satisfaction Increase:<br>• Complete customer information is available<br>• All call centers would have a CRM capability | Optimal Satisfaction Increase:<br>• Customer complete information is consistently available<br>• A single CRM technology for all the major call centers<br>• Leverage current Siebel implementation initiatives at the Ombudsman and Loan Servicing call centers |
| **GRADE** | ○ | ◐ | ● |
| | | | |
| **Employee Satisfaction** | | | |
| **EVALUATION** | Satisfaction Decrease:<br>• Fragmented approach to customer service still exists<br>• Lack of a complete view of customer's Information<br>• Inability for CSRs to consistently capture customer feedback | Satisfaction Increase:<br>• May not be able to share information<br>• Customer information is consistently available<br>• A Different technology may or may not allows CSRs to be consistently proactive, notice trends and capture customer feedback | Optimal Satisfaction Increase:<br>• A single CRM technology for all the major call centers<br>• Customer information is consistently available in the same format to customer facing employees<br>• Allows CSRs to be consistently proactive, notice trends and capture customer feedback |
| **GRADE** | ○ | ◐ | ● |
| | | | |
| **Cost / Savings** | | | |
| **EVALUATION** | Additional Costs over time:<br>• Increased costs to maintain current service<br>• Some call centers do not have CRM capabilities<br>• Multiple CRM applications, technical Platforms and capabilities | Some Cost Reduction:<br>• Streamline call centers around aviable CRM Technologies<br>• Significantly higher cost due to added time and rework involved in selecting and implementing a different technology<br>• Ignores the economies of scale benefits by implementing a single CRM technology | Optimal Cost Reduction:<br>• Streamlined call centers around a common CRM technology<br>• Leverage other Siebel CRM initiatives to realize full economies of scale |
| **GRADE** | ○ | ◐ | ● |
| | | | |
| **OVERALL GRADE** | ○ | ◐ | ● |

○ **Negative Impact** ◐ **Neutral** ● **Positive Impact**

# Implementation Approach

To reduce risk, the Modernization Partner will gather functional requirements, design, develop, test and deploy the common CRM system functionality in three phases, as shown below in figure 5. This will enable confirmation of the project scope and projected benefits and allow for decision points between phases. The phases will leverage other ongoing or completed Siebel CRM implementation efforts at SFA.

Figure 6: Implementation Timeline



## Phase I

The first phase will concentrate only on gathering enterprise wide functional requirements for the common CRM implementation to satisfy the business needs. This will provide information from the business functional areas, stakeholders and legacy systems. The functional requirements are technology independent; they do not include specific details related to implementation.

Phase I is scheduled to last for three months after the start of the project. The cost for phase I is $750,000. The organizational structure consists of the management team, functional requirements team and the subject matter experts. The team structure is outlined below.

Figure 7: Organizational Structure

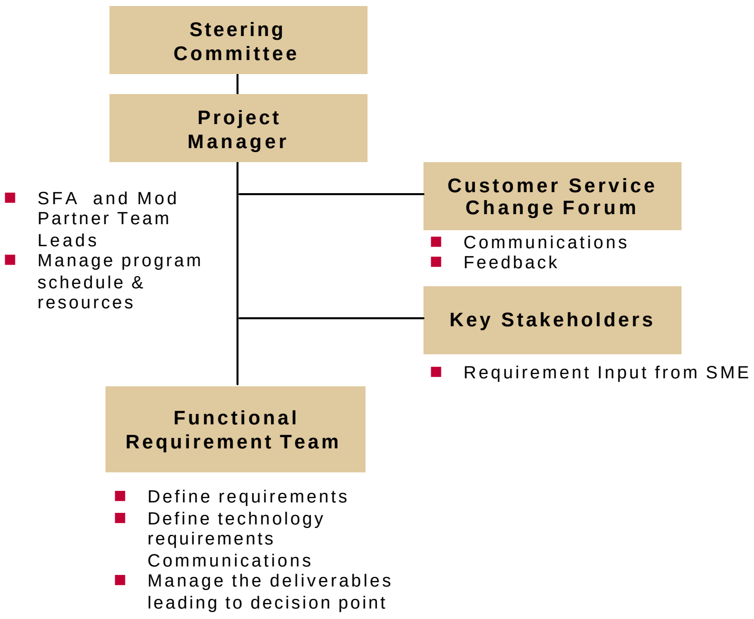

Steering Committee
Project Manager
SFA and Mod Partner Team Leads
Manage program schedule & resources
Customer Service Change Forum
Communications
Feedback
Key Stakeholders
Requirement Input from SME
Functional Requirement Team
Define requirements
Define technology requirements Communications
Manage the deliverables leading to decision point

Figure 8: Resource Utilization

| Resource Type | Total | Project Management | Functional Requirement |
|---|---|---|---|
| SFA | 3 | 1 | 2 |
| Andersen Consulting | 6 | 2 | 4 |
| Vendor (across all teams) | 5 | .--- | 5 |
| **Total** | **14** | 3 | **11** |

At the completion of this phase, a decision point is reached where a detail project plan and cost estimates will be determined to continue with Phase II and III.

## Phase II and III

The second phase will accomplish the design, development and testing of the common CRM system capabilities to the realigned customer interaction environment. This phase will highly leverage ongoing CRM efforts.

In phase III, the common CRM system is deployed. Maintenance and support of the system will be provided by a product support organization, which will grow once the second phase moves into deployment. To further reduce risk, additional support will be provided from the development team for some time after the common CRM system moves into production. Training will start six weeks before the system goes live.

# Assumptions and Risks

The following assumptions have been made regarding the common CRM System functional requirements definition:

- The project will commence in February
- Current and future development efforts for upgrading or creating a common Siebel CRM system for SFA will be dependent on other CRM Call Center IPT business cases: Call Center Optimization and Central IVR.

Key risks in implementing a CRM system across the major call centers have been identified:

- The successful implementation of the common CRM system is dependent on external and internal dependencies.
    - The external dependencies include the ability to interface with the external systems of Schools, Financial Partners, and Lender/Guarantee Agencies.
    - The internal dependencies include vendor legacy systems (LO, LC, LS, CAPS, PEPS, FFEL, SAIG, CPS, TIVWAN, DCS, RFMS and others) and EAI Infrastructure effort lead by CIO.
    - Strong executive support.
    - Impacted by other CRM funding requests and initiatives
    - The ability to acquire budget, staff, and resources to complete the work effort
    - Late implementation may impact the timing and costs.
- Approval timeframe will affect project start date.
- Must have ability to overcome privacy and information confidentiality concerns. This will impact the overall success of a common CRM implementation. It is critical that SFA, vendors and the Modernization Partner work together and share information to ensure that data confidentiality concerns are effectively addressed.